## DEPARTMENT OF BENEFIT PAYMENTS

744 P Street, Sacramento, CA 95814



January 28, 1976

ALL-COUNTY LETTER NO. 76-18

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: INFORMATIONAL MEDI-CAL CARD STUFFER ON EARNED INCOME CREDIT -

FEDERAL INCOME TAX

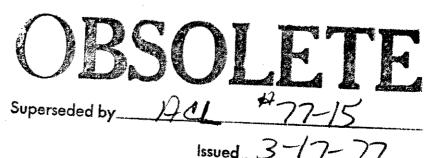
REFERENCE:

Enclosed is a copy of information being sent to AFDC recipients in order to inform them of a new federal earned income credit law. The information, printed in both English and Spanish, will be mailed as a  $3 \times 6\frac{1}{2}$  inch stuffer with the February, 1976 Medi-Cal cards. AFDC recipients who are PHP enrollees will be sent the notice by separate mailing. In addition, a supply of the notices is being sent to each county welfare department for distribution to General Assistance recipients in whatever manner deemed appropriate. These supplies will be mailed in early February.

To ensure that all potentially eligible persons are notified of the Earned Income Credit, separate provisions have been made for Food Stamp program applicants and recipients who do not receive other forms of public assistance. Counties are requested to provide notification of the Earned Income Credit in leaflet form to Food Stamp applicants and recipients at Food Stamp Certification and Issuance offices. Supplies of the leaflet and an Internal Revenue Service poster are available on request from:

Bill Tlucek, Assistant Chief State Operation Branch Food Stamp Division FNS, USDA Washington, D.C. 20250

If your records show AFDC recipients that may be eligible for the Earned Income Credit, they should be advised to file a federal income tax return as a possible source of income. (See EAS 44-103.2)



GEN 654 (2/75)

For purposes of AFDC eligibility and grant determination, payments under this law, like ordinary income tax refunds, are to be treated as net nonexempt income in the month received. (See EAS 44-113.23.)

Please insure that the AFDC and Medi-Cal staff in your agency are informed of this information. Contact your AFDC Management Consultant at (916) 445-4458 for questions regarding the Medi-Cal mailing or the supply for General Assistance, or Dave Owens, Food Stamp Policy Coordination Bureau, (916) 445-6907 for questions regarding Food Stamp recipient notification.

Sincerely,

KYDE S. McKINSEY Deputy Director

Enclosure

cc: CWDA

ydir i tys.

AN IMPORTANT MESSAGE FOR YOU

The Federal Government may have a check for you... Even if you didn't have to pay Federal income tax in 1975! A new law entitles many persons whose total income was less than \$8,000 in 1975 to a special payment or credit called the Earned Income Credit. This payment or credit (a maximum of \$400) can only be claimed by filing a 1975 Federal income tax return.

To find out if you qualify, answer the following questions.

1. Did you receive less than \$8,000 total income during 1975 that included salary, wages, tips, or other employee compensation? 2.

Did you maintain a home in the United States for yourself and at least one dependent child for the

entire year?

3. Was that dependent child under 19 years of age or a full-time student?

If you answered yes to all three questions, you probably qualify. For more information please call your local Internal Revenue Office. They are listed in the telephone book under the heading of: United States Government - Internal Revenue Service.

Ref. 3 (1/76)

## UN MENSAJE IMPORTANTE PARA USTED ACERCA DEL IMPUESTO SOBRE EL INGRESO

Puede que el gobierno federal tenga un cheque para Ud... iaún si no tuvo que pagar el impuesto federal sobre el ingreso en 1975!

Una nueva ley autoriza a muchas personas cuyos ingresos totales eran menos de \$8,000 durante 1975 un pago o crédito especial que se llama el Crédito del Ingreso Ganado. Este pago o crédito (el máximo es S400) solamente se puede pedir por presentar una declaración del impuesto sobre el ingreso.

Para ver si Ud. califica, responda a las siguientes preguntas:

1. ¿Recibió Ud. un total de ingresos menos de \$8,000 durante 1975 incluyendo salarin, sueldos, propinas, u otra retribución como empleado? 2.

¿Mantuvo Ud. un hogar en los Estados Unidos de América durante 1975 para si mismo y por lo

menos un niño dependiente para el año entero?

3. ¿Tuvo ese niño dependiente menos de 19 años o fue un estudiante que asistió el tiempo completo?

Si Ud. contestó sí a las tres preguntas, es probable que califique. Si quiere más información, favor de comunicarse con la oficina local de Impuestos Internos. Se encuentra el número en el directorio telefónico bajo et título: United States Government - Internal Revenue Service.